

Message Text

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44

ACTION EUR-12

INFO OCT-01 ISO-00 EB-07 SSO-00 NSCE-00 USIE-00 INRE-00

SS-15 NSC-05 IO-10 L-03 H-02 CCO-00 CIAE-00 OTPE-00

FCC-01 INR-07 NSAE-00 OC-05 COME-00 BIB-01 EURE-00

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FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC IMMEDIATE 8414

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POUCHED INFO ALL CONSULATES IN CANADA

FCC PASS WEIR, JOHNSTON AND KINLEY

E.O. 11652: N/A

TAGS: SCUL, CA

SUBJ: TELEVISION POLICY -- PREPARATIONS FOR USG/GOC JANUARY

13 MEETING

REF: A. STATE 304502; B. OTTAWA 4772

1. SUMMARY EMBASSY MAKES SUGGESTIONS FOR CONSIDERATION
AT JANUARY 5 INTERAGENCY MEETING DEALING WITH (A)
RETRANSMISSION UNDER IARC CONVENTION AND (B) FINANCING
RESPONSIBILITIES FOR ACHIEVING EFFECTIVE CANADIAN PROGRAMMING.
END SUMMARY

A. AT STATE/FCC DECEMBER 17 MEETING THERE WAS
INCONCLUSIVE DISCUSSION ABOUT RELEVANCE OF TERMS
"RETRANSMISSION" AND "REBROADCASTING" IN ARTICLE 21
OF INTER AMERICAN RADIO COMMUNICATIONS (IARC) CONVENTION
TO CABLE SYSTEMS BASED ON DIRECT OFF AIR PICK-UP (APPARENTLY
THE MAJORITY OF CANADIAN SYSTEMS) AND NOT DEPENDENT ON MICRO-
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WAVE RELAY. SUGGESTION WAS MADE AND, IN TCO'S RECOLLECTION,

ACCEPTED THAT THIS LANGUAGE DID NOT PERTAIN TO CALBE SYSTEMS BASED ON DIRECT RECEPTION SINCE THIS TYPE OF ACTIVITY DID NOT EXIST WHEN CONVENTION WAS DRAFTED IN 1934. HOWEVER, IT WAS AGREED THAT WHEN MICROWAVE RELAY WAS INVOLVED RE-TRANSMISSION WAS TAKING PLACE AND PERHAPS WAS COVERED BY THIS CLAUSE.

B. ATTENTION IS CALLED TO VOLUME III OF ERIC BARNOUW'S THE IMAGE EMPIRE, A HISTORY OF BROADCASTING IN THE UNITED STATES SINCE 1953 (OXFORD UNIVERSITY PRESS, 1970). BARBOUW ASSERTS ON PAGE 247 (REPEAT 247) THAT HISTORY OF COMMUNITY ANTENNA (CABLE) SYSTEMS IN TV GOES BACK TO BEGINNINGS OF RADIO. AN AMPLIFYING FOOTNOTE STATES THAT THE FIRST SUCH SYSTEM WAS APPARENTLY ESTABLISHED AT DUNDEE, MICHIGAN, IN 1923, AND BROUGHT IN REMOTE STATIONS THROUGH A TALL ANTENNA TOWER. THE SYSTEM OFFERED THE PROGRAMS OF THE REMOTE STATIONS TO LOCAL SUBSCRIBERS AT \$1.50 PER MONTH AND WAS DESCRIBED IN THE MAY 1923 ISSUE OF PERIODICAL RADIO BROADCASTING.

C. BARNOUW'S FOOTNOTE SUGGESTS NEED FOR RESEARCHING LEGISLATIVE HISTORY OF ARTICLE 21, IN RELATION TO RADIO RELAY SYSTEMS IN USE 40 YEARS AGO, WITH VIEW TO DRAWING PARALLELS BETWEEN SUCH SYSTEMS AND PRESENT DAY CABLE TV. OBJECTIVE WOULD BE CREATION OF ARGUMENT THAT ALL CANADIAN CABLE SYSTEMS -- WHETHER OR NOT UTILIZING MICROWAVE -- VIOLATE IARC CONVENTION TO EXTENT THEY CARRY AND U.S. SIGNALS WITHOUT PERMISSION OF ORIGINATOR AND TO CALL UPON GOC TO CORRECT SITUATION.

2. AT DECEMBER 17 MEETING, IN REPLY TO QUERY AS TO HOW FAR GOC COULD BE PRESSED UNDER IARC CONVENTION (ASSUMING ITS RELEVANCE), OPINION WAS OFFERED THAT GOC MIGHT AT SOME STAGE BE DRIVEN TO DENOUNCE ITS ADHERENCE AND THUS VOID THE ARGUMENT. THIS POSSIBLE EVENTUALITY WAS NOT EXPLORED IN DEPTH. SHOULD USDEL AT JANUARY 13 CONSULTATION FEEL ABLE TO MAKE GOOD CASE UNDER ARTICLE 21, IT WOULD ALSO BE USEFUL TO KNOW SPECIFICALLY THE ECONOMIC BENEFITS (IF ANY) WHICH CANADA DERIVES FROM REMAINDER OF IARC CONVENTION IN ORDER HOPEFULLY TO DEMONSTRATE THAT THERE IS A PACKAGE OF BENEFITS AND OBLIGATIONS WHICH SHOULD BE LOOKED AT AS A WHOLE.

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3. ON JANUARY 13 USDEL MAY EXPECT TO HEAR CONSIDERABLE EMPHASIS ON NEED FOR REVENUE TO FINANCE CANADIAN PRODUCTION WHICH CAN ATTRACT AUDIENCES. RECENT BOOKS ON THE TV INDUSTRY (E.G. MAYER, ABOUT TELEVISION, HARPER, 1972; AND BROWN, TELEVISION, THE BUSINESS BEHIND THE BOX, HARCOURT BRACE JOVANOVITCH, 1971) SUGGEST U.S. LOCAL BROADCASTERS, ESPECIALLY THOSE WITH NETWORK AFFILIATIONS, ARE EXTREMELY PROFITABLE.

WE WOULD BE SURPRISED IN SITUATION IN PRIVATE CANADIAN TV, ESPECIALLY AMONG CTV MEMBERS AND CBC AFFILIATES, DIFFERS SIGNIFICANTLY. USDEL, ACCORDINGLY, MAY FIND IT USEFUL TO QUESTION GOC SPOKESMEN CLOSELY ON THIS POINT. OBJECT WOULD BE TO PROMOTE IDEA THAT BEST WAY TO STIMULATE FINANCING OF CANADIAN PRODUCTION IS FOR CRTC TO REQUIRE BROADCAST LICENSE HOLDERS (ALONE OR CORPORATIVELY) TO DEDICATE A MINIMUM PERCENTAGE OF THEIR GROSS REVENUES TO PRODUCTION RATHER THAN ATTEMPT DIVERSION OF ADVERTISING REVENUES FROM U.S. STATIONS. PRESENT CRTC EMPHASIS IS ON CANADIAN CONTENT PERCENTAGES WHICH STATIONS APPARENTLY MEET ON MINIMUM COST BASIS AND THEN COMPLAIN THAT THEIR EFFORTS DO NOT ATTRACT LOCAL AUDIENCES WHICH GENERATE ADEQUATE REVENUE. AUDIENCES SEEK U.S. PROGRAMS WHETHER ON U.S. OR CANADIAN STATIONS. IF IT IS TRUE THAT FINANCIAL SITUATION OF CANADIAN STATIONS IS COMPARABLE WITH U.S. COUNTERPARTS, WE MIGHT BE ABLE TO ARGUE PERSUASIVELY THAT IT IS THE CANADIAN BROADCASTERS RATHER THAN THE U.S. BROADCASTERS WHO NOT ONLY SHOULD BUT CAN BEAR THE BURDEN OF REALIZING GOC'S CULTURAL OBJECTIVES. U.S. BROADCASTERS SUPPLY THEIR PRODUCT TO CANADIAN OFF-AIR VIEWERS AND CABLE SYSTEMS WITHOUT DIRECT COMPENSATION AND THEY ARE ENCOURAGED TO DO THIS IN THE CASE OF CABLE BY THE CRTC'S LICENSING OF CABLE SYSTEMS TO CARRY U.S. CHANNELS. THIS LICENSING HAS TAKEN PLACE ON THE INITIATIVE OF CANADIAN INTERESTS ONLY. FURTHERMORE, USDEL CAN POINT OUT THAT U.S. REGULATORY POLICY HAS NO AMERICAN CONTENT REQUIREMENTS AND INDEED ENCOURAGES DIVERSITY OF PROGRAMMING SOURCES. CANADIAN PRODUCERS MAY COMPETE FREELY. IF CANADIAN INTERESTS INVEST ADEQUATELY TO PRODUCE SHOWS WHICH HAVE STRONG LOCAL MARKET APPEAL IN CANADA THESE SHOWS SHOULD BE ABLE TO FIND OUTLETS IN THE U.S. TV MARKET. WE WOULD WELCOME CRTC ENCOURAGEMENT OF SUCH A ROLE IN PLACE OF ITS PRESENT NEGATIVE ATTITUDE TOWARD U.S. COMPETITION IN THE CANADIAN MARKET.

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Message Attributes

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Control Number: n/a
Copy: SINGLE
Draft Date: 02 JAN 1976
Decaption Date: 01 JAN 1960
Decaption Note:
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Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Executive Order: N/A
Errors: N/A
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